

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 3334 – SB 3234

March 31, 2010

SUMMARY OF AMENDMENT (016016): Deletes the language of the original bill. Creates the Tennessee Financial Literacy Commission (TFLC) for the purpose of raising funds, developing, managing and implementing various programs related to financial literacy. Authorizes the TFLC to organize as a non-profit corporation. Specifies various powers, purposes and responsibilities of the TFLC. Creates an 11-member Board of Directors for the TFLC consisting of three ex officio members and 8 non-ex officio members. The Board will be attached to the Department of Treasury for all administrative purposes, including fiscal and personnel operations.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – Not Significant
Increase State Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures - \$125,000/Recurring

(Reflected in the Governor's Recommended Budget for FY10-11)

Other Fiscal Impact – According to the Department of Treasury, the state has secured a commitment of \$125,000 from a non-governmental source as a match to state funds appropriated for financial literacy programs. Therefore, the total amount of funding that will be available for financial literacy programs in FY10-11 will be \$250,000 (\$125,000 from state appropriations and an additional \$125,000 from a non-governmental source). Any funds not expended during FY10-11 will carry forward and be expended for financial literacy programs in future years.

Assumptions applied to amendment:

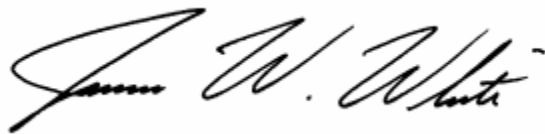
- Six board members will travel from outside of middle Tennessee (three from West Tennessee and three from East Tennessee).

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- Based on information provided by the Department of Treasury, the increase to recurring state expenditures associated with travelling board members is estimated to be \$1,400 per year.
- The Department of Treasury has indicated that any other additional administrative functions required of the Department can be accomplished with existing resources without an increased appropriation or reduced reversion.
- According to the Department of Finance and Administration, the Governor's Recommended Budget for FY10-11 establishes a recurring source of state funding equal to \$125,000 per year for financial literacy programs (Page A-13).
- Section 12, Item 5 of the General Appropriations Bill (HB 3928 – SB 3919) appropriates \$125,000 to the Department of Treasury in FY10-11 for the sole purpose of supporting a financial literacy program, to be used for matching funds to match a grant(s) from non-governmental sources.
- All travel expenditures for board members are paid from either state appropriations or from other non-governmental funding sources secured by the TFLC.
- According to the Department of Treasury, the University of Memphis has secured a private match of \$125,000 from a non-governmental source to be used for financial literacy. As a result, there will be at least \$250,000 available for the program for FY10-11 (\$125,000 from state appropriations + \$125,000 from a private source). Any unexpended funds at the end of FY10-11 will carry forward for financial literacy programs for subsequent years.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/rnc